

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2012-384-E - ORDER NO. 2013-31

JANUARY 15, 2013

IN RE: Petition of Progress Energy Carolinas,) ACCOUNTING ORDER
Incorporated for an Accounting Order to) ADOPTING NEW
Adopt New Depreciation Rates Effective) DEPRECIATION RATES
July 1, 2012) EFFECTIVE JULY 1, 2012

This matter comes before the Public Service Commission of South Carolina (“Commission”) on the request of Progress Energy Carolinas, Inc. (“PEC” or “the Company”) for an accounting order to adopt new depreciation rates effective July 1, 2012. According to the Company, the new rates, if adopted, would result in a reduction of annual depreciation expense of \$12.4 million, which is primarily due to an overall increase in the expected life of assets.


PEC’s depreciation rates were last changed in Order No. 2004-599, issued on December 8, 2004. As a result of normal periodic review of the Company’s depreciation rates for compliance with Generally Accepted Accounting Principles, PEC commissioned a study of its depreciation rates. Based on the results of this study, the Company determined that it is appropriate to update its depreciation rates as described above. The Office of Regulatory Staff does not oppose this request.

Adoption of the new depreciation rates will not involve a change to any rates at this time, nor does it prejudice any party’s rights to address the issue in a subsequent general rate proceeding. S.C. Code Ann. Section 58-27-870 (F) (Supp. 2012) allows this

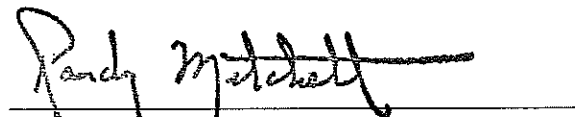
Commission to put new rates into effect without notice and hearing upon its order when the rates do not result in a rate increase. Accordingly, the new depreciation rates as requested by PEC are hereby adopted, retroactively effective as of July 1, 2012.

This Order shall remain in full force and effect until further order of the Commission.

BY ORDER OF THE COMMISSION:


David A. Wright, Chairman

ATTEST:


Randy Mitchell, Vice Chairman

(SEAL)